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Programme budget for the biennium 2006-2007

Draft resolution submitted by the Chairman

Capital master plan

The General Assembly,

Recalling its resolutions 54/249 of 23 December 1999, 55/238 of 23 December 2000, 56/234 and 56/236 of 24 December 2001 and 56/286 of 27 June 2002, section II of its resolution 57/292 of 20 December 2002, its resolution 59/295 of 22 June 2005, section II of its resolution 60/248 of 23 December 2005, its resolutions 60/256 of 8 May 2006, 60/282 of 30 June 2006 and 61/__ of __ December 2006[1] and its decision 58/566 of 8 April 2004,

Having considered the fourth annual progress report of the Secretary-General on the implementation of the capital master plan,[2] the related reports of the Advisory Committee on Administrative and Budgetary Questions,[3] the reports of the Secretary-General on viable options for ensuring sufficient parking space at United Nations Headquarters[4] and on plans for three additional conference rooms and viable solutions for allowing natural light into the rooms,[5] the reports of the Office of Internal Oversight Services on the United Nations capital master plan for the periods from August 2003 through July 2004[6] and from August 2004 to July 2005,[7] the report of the Office of Internal Oversight Services on its activities for the period from 1 July 2005 to 30 June 2006[8] and the comments of the Secretary-General thereon[9] and the reports of the Board of Auditors on the capital master plan for the

[1] See A/C.5/61/L.6.
[2] A/61/549.
[3] A/59/556 and A/61/595.
[4] A/58/712.
[5] A/58/556.
[6] See A/59/420.
[7] A/60/288.
[8] A/61/264 (Part I) and Add.1.
[9] See A/61/264 (Part I)/Add.2.

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biennium ended 31 December 2003[10] and for the years ended 31 December 2004[11] and 31 December 2005,[12]

Reaffirming that the costs of the capital master plan are expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations,

1. *Reiterates* its serious concern at the hazards, risks and deficiencies of the current conditions of the United Nations Headquarters Building, which endanger the safety, health and well-being of staff, delegations, visitors and tourists;

2. *Stresses* the special role of the host country Government with regard to support for United Nations Headquarters in New York;

3. *Recalls* the current practices of host Governments with regard to support for United Nations Headquarters and United Nations bodies located in their territories;

4. *Takes note* of the fourth annual progress report of the Secretary-General on the implementation of the capital master plan,[2] the related reports of the Advisory Committee on Administrative and Budgetary Questions,[3] the reports of the Secretary-General on viable options for ensuring sufficient parking space at United Nations Headquarters[4] and on plans for three additional conference rooms and viable solutions for allowing natural light into the rooms,[5] the reports of the Office of Internal Oversight Services on the United Nations capital master plan for the periods from August 2003 through July 2004[6] and from August 2004 to July 2005,[7] the report of the Office of Internal Oversight Services on its activities for the period from 1 July 2005 to 30 June 2006[8] and the comments of the Secretary-General thereon[9] and the reports of the Board of Auditors on the capital master plan for the biennium ended 31 December 2003[10] and for the years ended 31 December 2004[11] and 31 December 2005;[12]

5. *Takes note* of the conclusions and recommendations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions;

6. *Reaffirms* section VI of its resolution 55/222 of 23 December 2000;

7. *Also reaffirms* paragraph 6 of its resolution 60/256, and calls upon the Secretary-General to explore the possibility of private donor funding for the capital master plan and to continue efforts to secure financial resources from the public and private sectors for upgrading facilities and equipment, including the participation of private companies in infrastructural improvements where such participation has no financial implications for the Organization;

8. *Recalls* that the acceptance of any donation should conform to the international and intergovernmental character of the Organization and should be in full compliance with the Financial Regulations and Rules of the United Nations;

9. *Stresses* the need for establishing sufficient cash flow for the purpose of the capital master plan, based on a practical and predictable assessment plan;

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[10] See A/59/161.

[11] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 5* (A/60/5 (Vol. V)).

[12] Ibid., *Sixty-first Session, Supplement No. 5* (A/61/5 (Vol. V)).

10. *Decides* to approve the capital master plan, including the recommended scope options, to be completed from 2006 to 2014, at a total revised project budget not to exceed 1,876.7 million United States dollars (exclusive of any credit facility fees);

11. *Notes* that forward pricing escalation is already included in the approved budget contained in the fourth annual progress report of the Secretary-General, and requests the Secretary-General to make every effort to avoid budget increases through sound project management practices and to ensure that the capital master plan will be completed within the approved budget and the envisaged time schedule;

12. *Requests* the Secretary-General to submit to the General Assembly for its consideration possible options on how to remain within the approved budget of 1,876.7 million dollars in the unlikely event that it becomes evident that the costs will exceed the approved budget;

13. *Decides* that in the unlikely event of cost escalations beyond the approved budget of 1,876.7 million dollars, all Member States will be subject to a further assessment to meet the revised financial requirements as approved by the General Assembly;

14. *Approves* the funding of the capital master plan, based on a mix of one-time and equal multi-year assessments;

15. *Decides* that under the mixed assessment option of one-time and multi-year assessment, all assessments will be based on the regular budget scale of assessments applicable for 2007;

16. *Also decides* that, notwithstanding financial regulation 3.4, assessments for the capital master plan shall be issued on the same day of the first working week of January and shall be considered due and payable in full within one hundred and twenty days of that date;

17. *Agrees*, in this context, that in 2007 Member States will be allowed a period of sixty days, beginning from 5 January, within the period of one hundred and twenty days referred to in paragraph 16 above, to select the option of one-time or multi-year payment of their assessment on a fixed scale, as referred to in paragraph 15 above;

18. *Decides*, on an exceptional and ad hoc basis, unless notified otherwise by a Member State within sixty days of the issuance of the notification by the Secretary-General, to place Member States on the multi-year assessment plan for the full period of the capital master plan;

19. *Also decides* that once a Member State selects the option of one-time payment, that selection shall be irrevocable, unless otherwise notified to the Secretary-General by the end of the period of one hundred and twenty days referred to in paragraph 16 above;

20. *Further decides* to apportion, on the same day of the first working week of January for the period from 2007 to 2011, the amounts applicable, based on each Member State's assessment option of either a one-time payment, based on its share of 1,716,700,000 dollars, or equal multi-year payments over five years, in accordance with the regular budget rates of assessment applicable for 2007 for all assessments for the capital master plan, using the scale of assessments to be adopted by the General Assembly for the period 2007-2009;

21. *Decides* to appropriate 42 million dollars for 2007 for the design and pre-construction phases of the capital master plan, including swing-space requirements;

22. *Approves* the establishment of a working capital reserve of 45 million dollars under the capital master plan account, to be operated under the terms of financial regulations 3.5, 4.2 and 4.3;

23. *Resolves* that Member States shall make advances to the working capital reserve in accordance with the regular budget rates of assessment applicable for 2007 in the scale of assessments to be adopted by the General Assembly for the period 2007-2009;

24. *Approves* the establishment of a letter of credit facility as outlined in paragraphs 35 to 38 of the fourth annual progress report of the Secretary-General, pursuant to a bidding process conducted in accordance with the Financial Regulations and Rules;

25. *Stresses* that any drawdown on the letter of credit should be a last resort and solely for the purpose of funding the capital master plan;

26. *Requests* the Secretary-General, in this regard, to ensure that the best possible terms and conditions that preserve the interests of the Organization are negotiated with the construction manager in respect of the internationally syndicated letter of credit;

27. *Also requests* the Secretary-General to enter into consultations with the host country Government regarding the possibility of facilitating the establishment of the letter of credit without the imposition of fees or charges to the United Nations;

28. *Further requests* the Secretary-General to report to the General Assembly on the results of the negotiations and consultations and the status of the establishment of the letter of credit, in the context of his annual report on the capital master plan;

29. *Notes* that the establishment of the letter of credit could incur a fee of between 0.05 and 0.5 per cent of the value of the credit facility at the start of each year, and agrees that Member States will be assessed their share of the fees at the beginning of each calendar year on the basis of the regular budget scale of assessments for 2007;

30. *Approves* any necessary drawdown on the letter of credit, and requests the Secretary-General to advise Member States, as a matter of urgency, if a drawdown on the letter of credit is likely, preferably ninety days in advance;

31. *Recalls* paragraph 18 of its resolution 60/282, and decides that, notwithstanding financial regulation 3.1, any charges arising from a drawdown on the letter of credit would not be a charge on Member States that have paid in full their capital master plan assessments for the applicable period within the one hundred and twenty days of the issuance of the letters of assessment;

32. *Authorizes* the Secretary-General to apportion annually those charges arising from a drawdown on the letter of credit among Member States that did not pay their assessed contributions to the capital master plan in full, within the period of one hundred and twenty days specified in paragraph 16 above, based on a monthly calculation using the total charges levied during each month and the

prorated share of each Member State concerned of the average total assessed contributions that are outstanding for the capital master plan during that month;

33. *Requests* the Secretary-General to report to the General Assembly annually on the financial aspects of the capital master plan, in particular on any outstanding contributions and on the amount of the charges specified in paragraph 32 above and the apportionment among Member States;

34. *Reaffirms* that the charges to be apportioned in accordance with the provisions of paragraph 32 above are expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations;

35. *Stresses* the importance of oversight with respect to the implementation of the capital master plan, and requests the Board of Auditors and all other relevant oversight bodies to continue to report annually on the capital master plan to the General Assembly;

36. *Requests* the Secretary-General to ensure that amendments to contracts are in line with the United Nations Procurement Manual, and emphasizes that contracts should stipulate that the United Nations will not be responsible for any delays, damage or loss on the part of the contractor;

37. *Reiterates* its request to the Secretary-General to continue to explore ways to increase procurement opportunities for vendors from developing countries and countries with economies in transition and to take the provisions of its resolutions 54/14 of 29 October 1999, 55/247 of 12 April 2001, 57/279 of 20 December 2002, 59/288 of 13 April 2005 and 60/1 of 16 September 2005 on procurement reform fully into consideration in the implementation of the capital master plan;

38. *Also reiterates* its request to the Secretary-General to ensure that procurement processes are conducted in a transparent manner and in full compliance with relevant General Assembly resolutions;

39. *Emphasizes* to the Secretary-General the importance of effectively managing the multiple staff relocations under the approved phasing plan in order to keep the project on schedule;

40. *Urges* the Secretary-General to expedite the process of setting up the advisory board, reflecting wide geographical representation, so that it can begin its work as soon as possible, as provided for in General Assembly resolution 57/292;

41. *Requests* the Secretary-General to ensure that works of art, masterpieces and other gifts are appropriately handled during all the stages of the renovation work and that all associated costs are foreseen;

42. *Also requests* the Secretary-General to cooperate with those Member States that wish to take care of their gifts of works of art, masterpieces and other items during the renovation period;

43. *Decides* that, owing to the unique and exceptional circumstances arising from the capital master plan, the decisions set out above in the present resolution shall under no circumstances constitute a precedent or imply any changes to the Financial Regulations and Rules.